

HOUSING OUR MILITARY VETERANS EFFECTIVELY  
ACT OF 2023

SEPTEMBER 8, 2023.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. BOST, from the Committee on Veterans' Affairs,  
submitted the following

R E P O R T

[To accompany H.R. 3848]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 3848) to make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to homelessness, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Housing our Military Veterans Effectively Act of 2023” or the “HOME Act of 2023”.

**SEC. 2. PER DIEM PAYMENTS PROVIDED BY THE SECRETARY OF VETERANS AFFAIRS FOR SERVICES FURNISHED TO HOMELESS VETERANS.**

Section 2012 of title 38, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(B)—

(i) in clause (i)(II)(aa)(BB), by striking “115 percent” and inserting “133 percent”; and

(ii) by adding at the end the following:

“(iii) During each of fiscal years 2024 through 2026, the Secretary may waive the maximum rate for per diem payments under clause (i)(II)(aa)(BB) or (ii) and, subject to the availability of appropriations, provide such payments at a rate that does not exceed 200 percent of the rate authorized for State homes for domiciliary care under subsection (a)(1)(A) of section 1741 of this title, as the Secretary may increase from time to time under subsection (c) of that section if the Secretary notifies Congress of such waiver.

“(iv) The Secretary may not, pursuant to clause (iii), waive the maximum rate described in such clause for more than 50 percent of all grant recipients and eligible entities in a fiscal year.”; and

(B) by adding at the end the following new paragraph:

“(4) The Secretary may not provide more than 12,000 per diem payments under this section in a fiscal year.”; and

(2) by adding at the end the following new subsection:

“(f) **REPORTS REQUIRED.**—Not later than 90 days after the date of the enactment of the HOME Act of 2023, and not less frequently than twice each year thereafter, the Secretary shall submit to the Committee on Veterans’ Affairs of the Senate and the Committee on Veterans’ Affairs of the House of Representatives a report on the rate for per diem payments under this section that includes, for each Veterans Integrated Service Network of the Department, the following data:

“(1) The average rate for such a payment.

“(2) A list of locations where the rate for such a payment is within 10 percent of the maximum rate for such a payment authorized under this section.

“(3) The average length of stay by a veteran participating in a program described in section 2012(a) of this title.”.

**SEC. 3. AUTHORIZATION FOR SECRETARY OF VETERANS AFFAIRS TO USE OF CERTAIN FUNDS FOR IMPROVED FLEXIBILITY IN ASSISTANCE TO HOMELESS VETERANS.**

(a) **USE OF FUNDS.**—The Secretary of Veterans Affairs may use amounts appropriated or otherwise made available to the Department of Veterans Affairs to carry out section 2011, 2012, 2031, or 2061 of title 38, United States Code, to provide to a covered veteran, as the Secretary determines necessary—

(1) food, shelter, clothing, blankets, and hygiene items required for the safety and survival of the veteran;

(2) transportation required to support the stability and health of the veteran for appointments with service providers, the conduct of housing searches, and the obtaining of food and supplies; and

(3) tablets, smartphones, disposable phones, and related service plans required to support the stability and health of the veteran through the maintenance of contact with service providers, prospective landlords, and family members.

(b) **HOMELESS VETERANS ON DEPARTMENT OF VETERANS AFFAIRS LAND.**—

(1) **IN GENERAL.**—The Secretary may collaborate, to the extent practicable, with one or more organizations to manage the use of land of the Department of Veterans Affairs for homeless veterans for living and sleeping.

(2) **FORMS OF COLLABORATION.**—Collaboration under paragraph (1) may include the provision by either the Secretary or the head of the organization concerned of food services and security for property, buildings, and other facilities owned or controlled by the Department of Veterans Affairs.

(c) **REPORT REQUIRED.**—Not later than six months after the date of the enactment of this Act, and every six months thereafter until the date specified in subsection (d), the Secretary shall submit to Congress a report that includes, with respect to the period covered by such report—

(1) a statement, disaggregated by each medical center of the Department of Veterans Affairs, of the amount of funds under this section—

(A) each such medical center requested from the Secretary; and

(B) to which the Secretary provided each such medical center;

- (2) data, disaggregated by each such medical center, relating to how each such medical center used amounts provided by the Secretary under this section;
- (3) the number of covered veterans to which the Secretary provided assistance under this section;
- (4) the total amount of assistance the Secretary provided to covered veterans pursuant to subsection (a)(3) for communications equipment, broken down by the type of equipment provided;
- (5) the total amount of assistance the Secretary provided covered veterans pursuant to subsection (a)(2) for ridesharing;
- (6) the number of covered veterans who received such assistance; and
- (7) a description, for each rideshare used by a covered veteran with such assistance, of the reasons such covered veteran used such rideshare.
- (8) the number of covered veterans who lived or slept on Department land;
- (9) the amount of funds used to make available Department land for covered veterans to live and sleep;
- (10) the number of Department employees whose primary responsibilities involved providing services for covered veterans living or sleeping on Department land;
- (11) the average length of time a covered veteran lived or slept on Department land, and
- (12) the period of time the Secretary expects Department land will be made available for covered veterans to live and sleep.
- (d) SUNSET.—The authority under this section shall terminate on September 30, 2024.
- (e) DEFINITIONS.—In this section, the term “covered veteran” means—
  - (1) a homeless veteran; and
  - (2) a veteran participating in the program carried out under section 8(o)(19) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19)).

#### SEC. 4. MODIFICATION OF CERTAIN HOUSING LOAN FEES.

The loan fee table in section 3729(b)(2) of title 38, United States Code, is amended by striking “November 14, 2031” each place it appears and inserting “May 18, 2032”.

### PURPOSE AND SUMMARY

H.R. 3848, the “Housing our Military Veterans Effectively Act of 2023” was introduced by Rep. Lori Chavez-DeRemer of Oregon on June 6, 2023. The bill as amended would increase the rate for the U.S. Department of Veterans Affairs (VA) Grant and Per-Diem program. This is a program that veteran homeless providers to help set up and maintain transitional housing. The bill would also authorize the VA Homeless Program Office to provide certain services to homeless veterans until September 30, 2024.

Finally, the bill would also provide an offset for the cost of these program changes by extending current rates for VA home loan funding fees.

### BACKGROUND AND NEED FOR LEGISLATION

#### *Section 1: Short title*

This Act may be cited as the “Housing our Military Veterans Effectively Act of 2023”, or “HOME Act of 2023”.

#### *Section 2: Per diem payments provided by the Secretary of Veterans Affairs for services furnished to homeless veterans*

This section would increase the Grant and Per-Diem payments under section 2012 of title 38, U.S.C. from 115% to 133% of the State homes for domiciliary care rate. During the COVID–19 Public Health Emergency, the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* (P.L. 116–315) temporarily increased the Grant and Per-Diem rate up from 115% to 300% of the domiciliary care rate. Congress made this change to help reduce the spread of COVID–19 by providing

funding for providers to house homeless veterans in hotels and providing increased funding to address the needs of the providers during the emergency. However, on May 11, 2023, the Public Health Emergency was finally ended, which also ended the temporary Grant and Per-Diem emergency authority. After the temporary rate increase authority ended, the GPD rate returned to 115%. Increasing the GPD rate from 115% to 133% would account for inflation between 2021 to 2023 and help providers address the increased operating costs over the last two years.

During the Public Health Emergency, and after the rate returned to 115%, the Committee had heard from many transitional housing providers and VA about how the rate needed to be increased from 115% to a higher rate. Under this legislation, the waiver authority granted to the Secretary of Veterans Affairs would allow the Secretary to raise the GPD rate to 200% for up to 50% of transitional housing providers that can prove the need for an increased reimbursement rate. The Committee believes that raising the rate for up to 50% of providers would support the 47% of providers that still had a reimbursement rate of over 133% during the COVID-19 Public Health Emergency. Restricting the waiver authority from Fiscal Year 2024 to 2026 would allow the Committee to obtain data on the level of need and usage from transitional housing providers before determining if Congress should extend the authority. The Committee will closely monitor usage of this waiver, and should it appear the waiver is appropriately implemented and effective at serving veterans, the Committee may extend the waiver beyond the Fiscal Year 2026 end date that would be set by this legislation. Because the number of beds and per diem payments that VA has funded throughout the last decade has decreased, the Secretary may not provide more than 12,000 payments per fiscal year.

Additionally, this section would establish increased reporting requirements on the GPD rate that the Committee believes is valuable for oversight of the program. Knowing the average rate for a payment based on Veterans Integrated Service Network, a list of locations where the rate is within 10% of the maximum rate, and the average length of stay would also help the Committee legislate further on the program if necessary.

Finally, the Committee is concerned that linking the GPD rate to the State homes for domiciliary care rate is no longer adequately serving veterans, providers, or the Department. Further work is required by the Committee and the Department to identify a new, more effective payment rate for providers. The Committee plans additional oversight in this area to identify a rate that is a better reflection of the actual cost of transitional housing.

*Section 3: Authorization for Secretary of Veterans Affairs to use of certain funds for improved flexibility in assistance to homeless veterans*

This section would authorize the Secretary of Veterans Affairs to use certain funds for improved flexibility in services provided to homeless veterans and veterans participating in the Department of Housing and Urban-Veterans Supportive Housing (HUD-VASH) program. Congress passed similar authorities in section 4201 of the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* (P.L. 116-315), but the authori-

ties expired on May 11, 2023, when the Biden Administration ended the Public Health Emergency. During the Public Health Emergency, VA was able to use these authorities to aid 32,799 homeless veterans in Fiscal Year 2022 with supplies to help their health and survival. VA spent \$6,816,313 on housing materials. VA Homeless Programs have also served 41,532 unique veterans in the ride share program while completing 416,234 rides at an expense of \$13,611,469. The Committee believes that this was an important program to transport homeless veterans to medical care and other services. Committee also believes that by authorizing this program through Fiscal Year 2024 would allow the Committee the opportunity to review the program to determine if it is truly needed now that the Public Health Emergency has ended. To date, these provisions have been extremely effective in assisting homeless veterans and the Department to serve these veterans.

This section would require the Secretary of Veterans Affairs to report every six months on the usage and spending of the funds authorized under this provision. It is Congress's intent to grant the Department wide authority to use these provisions for the sole purpose of reducing veteran homelessness, however previously, VA had been unable to provide the Committee with details on spending of this authority until the Committee submitted a formal request for information. Earlier this year, the Committee found that VA has also been unable to account for the proper spending allocation of 17% of the COVID-19 funding provided during the Public Health Emergency, which included this temporary authority. These additional reporting requirements would aid the Committee's oversight efforts on these authorities. Based on the reporting requirements in the legislation, the Committee will evaluate the usage of the authorities until the end of Fiscal Year 2024, and consider a further extension based on the performance of the Department.

#### *Section 4: Department of Veterans Affairs housing loan fees*

Currently, veterans who take advantage of the VA Home Loan Program pay a small fee that is included in their monthly mortgage payment. This section would cover the costs of the other section of this bill by extending the current rates for VA home loan funding fees by a few months to May 18, 2032. Extending the funding fee increases a veteran's monthly cost by about \$5 on top of the monthly mortgage. Disabled veterans do not pay the funding fee and would not be affected by this extension of the home loan fees. The Committee believes this short-term extension of current funding fee rates is a reasonable way to cover the costs associated with the other sections of this bill.

#### HEARINGS

On June 14, 2023, the Subcommittee on Economic Opportunity held a legislative hearing on H.R. 3848 and other bills that were pending before the subcommittee.

The following witnesses testified:

Mr. Joseph Garcia, Executive Director of Education Service, U.S. Department of Veterans Affairs; Ms. Melissa Cohen, Deputy Executive Director of Outreach, Transition, and Economic Development, U.S. Department of Veterans Affairs; Ms. Monica Diaz, Executive Director, Office of Homeless Programs,

U.S. Department of Veterans Affairs; Mr. James Rodriguez, Assistant Secretary for Veterans' Employment and Training Service, U.S. Department of Labor; Mr. Paul Marone, USERRA Policy Chief for Veterans' Employment and Training Service, U.S. Department of Labor; Mr. Patrick Murray, Director, National Legislative Service, Veterans of Foreign Wars of the United States; Mr. Ricardo Gomez, Employment and Education Policy Associate, The American Legion; Mr. Matthew Schwartzman, Director, Legislation and Military Policy, Reserve Organization of America; Ms. Meredith M. Smith, Government Relations Deputy Director, National Military Family Association, and Mr. Kevin Hollinger, Legislative Director, Enlisted Association of the National Guard of the United States.

The following individuals and organizations submitted statements for the record:

Helping Veterans and Families of Indiana, The American Legion Department of California, Disabled American Veterans Department of California, Veterans Education Success, Nation's Finest, New England Center and Home for Veterans, Representative Morgan McGarvey of Kentucky, Volunteers of America of Los Angeles, U.S. VETS Long Beach, Family & Community Services Inc., U.S. VETS Prescott, U.S. VETS Inglewood, Veterans Integration Centers, U.S. VETS Inland Empire, Operation Dignity, and the Aston Wilkes Society.

#### SUBCOMMITTEE CONSIDERATION

On July 19, 2023, the Subcommittee on Economic Opportunity held a markup on the legislation included in the text of this bill.

An amendment in the nature of a substitute to H.R. 3848 offered by Subcommittee Chair Van Orden was adopted by voice vote and the bill was ordered favorably forwarded to the full Committee on Veterans Affairs. The amendment in the nature of a substitute removed the West Los Angeles section (Section 3 as introduced), reduced the number of years the GPD rate would be increased to five years, reduced the number of years the waiver authority would exist to five years, and increased the percentage of providers that could receive the 200% waiver from 10% to 20%. The amendment in the nature of a substitute would also eliminate the reduction in Transition in Place rate from 150% to 140%. In the new Section 3, the amendment in the nature of a substitute made wording changes that would make clear what the Secretary could do with authorized funds, and increased reporting requirements for use of the funds.

#### COMMITTEE CONSIDERATION

On July 26, 2023, the full Committee met in open markup session, a quorum being present, and ordered H.R. 3848, as amended, be reported favorably to the House of Representatives by voice vote. During consideration of the bill, the following amendments were considered:

An amendment in the nature of a substitute offered by Chairman Bost that included the text of H.R. 3848, adopted by the Subcommittee on Economic Opportunity, that would increase the percentage of providers available to receive waivers

from 20% up to 50%. The amendment in the nature of a substitute would remove the future cost of living adjustment to the GPD rate, would reduce the number of years for the 200% waivers from five to three years, and would increase the number of beds VA is able to fund. The amendment would also extend current rates for VA home loan funding fees to pay for programs in the bill. The amendment in the nature of substitute, as amended, was approved by voice vote.

A motion by Ranking Member Takano to report H.R. 3848, as amended, favorably to the House of Representatives was agreed to by voice vote.

#### COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments or in connection with ordering H.R. 3848, as amended, reported to the House.

#### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives of H.R. 3848, as amended, are to provide increased housing funding and support for homeless veterans across the United States.

#### EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 3848, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

#### COMMITTEE COST ESTIMATE

The Committee adopts as its own the Congressional Budget Office cost estimate on this measure.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST  
ESTIMATE

At a Glance			
H.R. 3848, Housing our Military Veterans Effectively Act of 2023			
As ordered reported by the House Committee on Veterans' Affairs on July 26, 2023			
By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	78	-306
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	78	-306
Spending Subject to Appropriation (Outlays)	0	208	304
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	< \$2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Increase the fees that the Department of Veterans Affairs (VA) charges borrowers for home loan guarantees
- Increase the maximum rates that VA pays to entities that provide housing and services to homeless veterans
- Authorize VA to provide various goods and services to veterans who are homeless or using housing vouchers

Estimated budgetary effects would mainly stem from

- Increasing fees charged by VA for home loan guarantees
- Paying larger grant amounts to entities that provide housing and services to homeless veterans
- Providing goods and services to veterans who are homeless or using housing vouchers

Bill summary: H.R. 3848 would increase the fees that the Department of Veterans Affairs (VA) charges borrowers for home loan guarantees in 2032. The bill also would make changes to VA programs that provide housing and other assistance to veterans experiencing homelessness.

Estimated federal cost: The estimated budgetary effects of H.R. 3848 are shown in Table 1. The bill would increase spending subject to appropriation by \$304 million and decrease net direct spending by \$306 million over the 2023–2033 period. The costs of the legislation fall within budget function 700 (veterans benefits and services).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 3848

	By fiscal year, millions of dollars—												
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023–2028	2023–2033
Increases in Spending Subject to Appropriations													
Estimated Authorization .....	0	76	49	49	20	20	20	20	19	19	18	214	310
Estimated Outlays .....	0	67	50	48	23	20	20	20	19	19	18	208	304



TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 3848—Continued

	By fiscal year, millions of dollars—												
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023– 2028	2023– 2033
	Increases or Decreases (–) in Direct Spending												
Estimated Budget Authority ...	0	24	18	20	9	10	11	12	13	–436	16	81	–303
Estimated Outlays .....	0	21	18	19	10	10	11	12	13	–436	16	78	–306

Basis of estimate: For this estimate, CBO assumes that H.R. 3848 will be enacted at the beginning of fiscal year 2024 and that provisions will take effect upon enactment or on the dates specified by the bill. CBO also estimates that outlays will follow historical spending patterns for affected programs.

Provisions that affect spending subject to appropriation and direct spending: H.R. 3848 would make changes to programs administered by VA that provide housing and other assistance to veterans experiencing homelessness. Implementing those changes would increase spending subject to appropriation by \$304 million and direct spending by \$144 million over the 2023–2033 period, CBO estimates.

Some of the homeless veterans affected by the changes under the bill would be veterans who have been exposed to environmental hazards; thus, CBO expects that some of the costs of implementing the bill would be paid from the Toxic Exposures Fund (TEF) established by Public Law 117–168, the Honoring our PACT Act. The TEF is a mandatory appropriation that VA uses to pay for health care, disability claims processing, medical research, and IT modernization that benefit veterans who were exposed to environmental hazards.

Additional spending from the TEF occurs if legislation increases the costs of similar activities that benefit veterans with such exposure. Thus, in addition to increasing spending subject to appropriation, the bill would increase amounts paid from the TEF, which are classified as direct spending.

In CBO's projections, the percentage of costs paid by the TEF is estimated to grow over time based on the amount of formerly discretionary appropriations that CBO estimated will be provided through the mandatory appropriation as specified in the Honoring our PACT Act.<sup>1</sup> For purposes of this estimate, those growing percentages are applied to the estimated increase in costs under H.R. 3848. Thus, CBO estimates that 24 percent of the costs of the changes to homeless veteran programs would be paid from the TEF in 2024, increasing to 47 percent in 2033.

*Grants and Per Diem.* VA pays a daily rate through its Grant and Per Diem Program to public and nonprofit entities that provide housing and supportive services to homeless veterans. Two types of grants under the program are per diem only (PDO), which reimburses recipients for the cost of care provided to veterans in transitional housing, and transition-in-place (TIP), through which veterans remain in the housing after receiving such care. H.R. 3848

<sup>1</sup>For additional information about spending from the TEF, see Congressional Budget Office, Statement for the Record Regarding How CBO Would Estimate the Effects of Future Authorizing Legislation on Spending From the Toxic Exposures Fund (December 2022), [www.cbo.gov/publication/58843](https://www.cbo.gov/publication/58843).

would increase the maximum amounts allowed for those grant payments.

Under current law, the maximum amounts of payments under the program are based on the rate that VA pays to state-owned facilities that provide domiciliary care for eligible veterans (that rate is \$55 per veteran in 2023 and is adjusted annually for inflation). Those maximums currently are 115 percent (\$64 in 2023) and 150 percent (\$83 in 2023) of such rate for PDO and TIP grants, respectively. Section 2 of the bill would authorize VA to pay up to 133 percent of the domiciliary care rate to recipients of PDO grants. The provision also would allow VA to pay up to 200 percent of the domiciliary care rate for both PDO and TIP grants to no more than half of the grant recipients during fiscal years 2024 through 2026. (After 2026 rates for PDO grants would revert to 133 percent and TIP grants would revert to 150 percent for all grant recipients.)

CBO estimates that under current law, VA will award about \$267 million for PDO and TIP grants in 2024 and that grant amounts will increase annually with inflation. Using information on past grant payments, CBO estimates that, under provisions of H.R. 3848, the overall amounts paid for those grants would increase by 24 percent during the 2024–2026 period and by 10 percent for each year thereafter. That increase in costs would total \$414 million over the 2023–2033 period. Two-thirds of that amount, or \$278 million, would be categorized as spending subject to appropriation; \$136 million would be direct spending.

*Homeless Assistance.* Section 3 of the bill would authorize VA to provide food, clothing, bedding, hygiene items, shelter, transportation services, and communication devices and services to veterans who are homeless or using rental vouchers provided by the Department of Housing and Urban Development. That authority would expire at the end of fiscal year 2024. Similar authority was temporarily available during the public health emergency declared as a result of the novel coronavirus pandemic. On the basis of the department's costs to provide those items and services during that public health emergency, CBO estimates that temporarily renewing the authority would increase spending subject to appropriation by \$26 million and direct spending by \$8 million, over the 2023–2033 period.

Spending subject to appropriation: The discussion above in the section “Provisions That Affect Spending Subject to Appropriation and Direct Spending” describe the changes to VA homeless veteran programs that would increase spending subject to appropriation under H.R. 3848, totaling \$304 million over the 2023–2033 period (see Table 2).

TABLE 2.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 3848

[illegible]

TABLE 2.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 3848—Continued

	By fiscal year, millions of dollars—													
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023– 2028	2023– 2033	
Total Changes:														
Estimated Authorization .....	0	76	49	49	20	20	20	20	19	19	18	214	310	
Estimated Outlays .....	0	67	50	48	23	20	20	20	19	19	18	208	304	

**Direct Spending:** In addition to making changes to homeless veteran programs administered by VA as described above in the section “Provisions That Affect Spending Subject to Appropriation and Direct Spending”, H.R. 3848 would increase fees paid for VA home loan guarantees. CBO estimates that the changes to the homeless veterans programs would increase direct spending from the Toxic Exposures Fund. The increased fees would be reflected on the budget as negative outlays. In total, enacting the bill would decrease net direct spending by \$306 million over the 2023–2033 period (see Table 3).

**Loan Fees:** VA provides guarantees to lenders for eligible borrowers to obtain better loan terms—such as lower interest rates or smaller down payments—when purchasing, constructing, improving, or refinancing a home. VA typically pays lenders up to 25 percent of the outstanding mortgage balance if a borrower’s home is foreclosed upon. Those payments, net of fees paid by borrowers and recoveries by lenders, constitute the subsidy cost for the loan guarantees.<sup>2</sup>

Under current law, most of the fees that borrowers pay to VA for loans guaranteed on or after November 14, 2031, will drop from a weighted average of about 2.4 percent of the loan amount to about 1.2 percent. Section 4 would extend the higher rates through May 18, 2032. On the basis of loan data provided by VA, CBO estimates that extending the higher rates for those fees would decrease direct spending by \$450 million over the 2023–2033 period.

TABLE 3.—ESTIMATED CHANGES IN DIRECT SPENDING UNDER H.R. 3848

	By fiscal year, millions of dollars—													
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023–2028	2023–2033	
Loan Fees:														
Estimated Budget Authority ..	0	0	0	0	0	0	0	0	0	–450	0	0	–450	
Estimated Outlays .....	0	0	0	0	0	0	0	0	0	–450	0	0	–450	
Grants and Per Diem:														
Estimated Budget Authority ..	0	16	18	20	9	10	11	12	13	14	16	73	139	
Estimated Outlays .....	0	14	17	19	10	10	11	12	13	14	16	70	136	
Homeless Assistance:														
Estimated Budget Authority ..	0	8	0	0	0	0	0	0	0	0	0	8	8	
Estimated Outlays .....	0	7	1	0	0	0	0	0	0	0	0	8	8	

<sup>2</sup> Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses offset by any payments to the government, including origination or other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed or modified. A positive subsidy indicates that the loan results in net outlays from the Treasury; a negative subsidy indicates that the loan results in net receipts to the Treasury.

TABLE 3.—ESTIMATED CHANGES IN DIRECT SPENDING UNDER H.R. 3848—Continued

	By fiscal year, millions of dollars—													
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023– 2028	2023– 2033	
Total Changes:														
Estimated Budget Authority ..	0	24	18	20	9	10	11	12	13	–436	16	81	–303	
Estimated Outlays .....	0	21	18	19	10	10	11	12	13	–436	16	78	–306	

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 3.

Increase in long-term net direct spending and deficits: CBO estimates that enacting H.R. 3848 would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting H.R. 3848 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2034.

Mandates: None.

Estimate prepared by: Federal Costs: Paul B.A. Holland; Mandates: Grace Watson.

Estimate reviewed by: David Newman, Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit; Christina Hawley Anthony, Deputy Director of Budget Analysis.

Estimate approved by: Phillip L. Swagel, Director, Congressional Budget Office.

#### FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4) is inapplicable to H.R. 3848, as amended.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 3848, as amended.

#### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 3848, as amended, does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

#### STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 3848, as amended, would establish or reauthorize a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21

of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Short title*

Section 1 would establish the short title of the bill as “Housing our Military Veterans Effectively Act of 2023” or the “HOME Act of 2023.”

##### *Section 2. Per diem payments provided by the Secretary of Veterans Affairs for services furnished to homeless veterans*

This section would amend section 2012 of title 38, U.S.C. and would increase the GPD rate from 115% to 133% of the State homes for domiciliary care under subsection (a)(1)(A) of section 1741 of title 38, U.S.C. This section would also add an authority and would allow the Secretary to waive the maximum rate for per diem payments under clause (i)(II)(aa)(BB) or (ii) up to 200% of the GPD rate for up to 50% of transitional housing providers. Under this section, the Secretary would not be authorized to provide more than 12,000 per diem payments in a fiscal year. The 200% waiver authority would expire at the end of Fiscal Year 2026.

This section would require the Secretary to submit a report to the Committees on Veterans’ Affairs of the House and Senate 90 days after the enactment of the legislation, and at least twice a year after on the rate for per diem payments under this section. Additional reporting requirements would include the average rate for each payment, a list of locations where the rate is within 10% of the maximum rate authorized under this bill, and the average length of stay by a veteran participating in the GPD program.

##### *Section 3. Authorization for Secretary of Veterans Affairs to use of certain funds for improved flexibility in assistance to homeless veterans*

This section would allow the Secretary of Veterans Affairs to use funds appropriated to carry out section 2011, 2012, 2031, or 2061 of title 38, U.S.C. to provide assistance to a covered veteran. This would include food shelter, clothing, blankets, hygiene items, electronic devices, and transportation through rideshares to help the safety and survival of the veteran.

This section would also allow the Secretary to collaborate with organizations to manage the VA land for homeless veterans for living and sleeping. Finally, this section would require the Secretary of Veterans Affairs to submit to Congress every six months a report on the use of funds and the housing of homeless veterans available under this section. The authority under this section would expire September 30, 2024.

##### *Section 4. Department of Veterans Affairs housing loan fees*

This section would provide funding for these programs included in the bill by extending current rates for VA home loan funding fees as established in section 3729 of title 38, U.S.C. from November 14, 2031, to May 18, 2032.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

**TITLE 38, UNITED STATES CODE**

\* \* \* \* \*

**PART II—GENERAL BENEFITS**

\* \* \* \* \*

**CHAPTER 20—BENEFITS FOR HOMELESS VETERANS**

\* \* \* \* \*

**SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS**

\* \* \* \* \*

**§ 2012. Per diem payments**

(a) PER DIEM PAYMENTS FOR FURNISHING SERVICES TO HOMELESS VETERANS.—(1) Subject to the availability of appropriations provided for such purpose, the Secretary, pursuant to such criteria as the Secretary shall prescribe, shall provide to a recipient of a grant under section 2011 of this title (or an entity eligible to receive a grant under that section which after November 10, 1992, establishes a program that the Secretary determines carries out the purposes described in that section) per diem payments for services furnished to any homeless veteran—

(A) whom the Secretary has referred to the grant recipient (or entity eligible for such a grant); or

(B) for whom the Secretary has authorized the provision of services.

(2)(A)(i) Except as otherwise provided in subparagraph (B), the rate for such per diem payments shall be the daily cost of care estimated by the grant recipient or eligible entity adjusted by the Secretary under clause (ii).

(ii)(I) The Secretary shall adjust the rate estimated by the grant recipient or eligible entity under clause (i) to exclude other sources of income described in subclause (III) that the grant recipient or eligible entity certifies to be correct.

(II) Each grant recipient or eligible entity shall provide to the Secretary such information with respect to other sources of income

as the Secretary may require to make the adjustment under subclause (I).

(III) The other sources of income referred to in subclauses (I) and (II) are payments to the grant recipient or eligible entity for furnishing services to homeless veterans under programs other than under this subchapter, including payments and grants from other departments and agencies of the United States, from departments or agencies of State or local government, and from private entities or organizations.

(iii) For purposes of calculating the rate for per diem payments under clause (i), in the case of a homeless veteran who has care of a minor dependent while receiving services from the grant recipient or eligible entity, the daily cost of care of the homeless veteran shall be the sum of the daily cost of care of the homeless veteran determined under clause (i) plus, for each such minor dependent, an amount that equals 50 percent of such daily cost of care.

(B)(i)(I) Except as provided in clause (ii), and subject to the availability of appropriations, the Secretary may adjust the rate for per diem payments under this paragraph, as the Secretary considers appropriate.

(II) Any adjustment made under this clause—

(aa) may not result in a rate that—

(AA) is lower than the rate in effect under this paragraph as in effect immediately preceding the date of the enactment of the Navy SEAL Bill Mulder Act of 2020; or

(BB) exceeds the rate that is **[115 percent]** *133 percent* of the rate authorized for State homes for domiciliary care under subsection (a)(1)(A) of section 1741 of this title, as the Secretary may increase from time to time under subsection (c) of that section; and

(bb) may be determined on the basis of locality.

(ii) In the case of services furnished to a homeless veteran who is placed in housing that will become permanent housing for the veteran upon termination of the furnishing of such services to such veteran, the maximum rate of per diem authorized under this section is 150 percent of the rate authorized for State homes for domiciliary care under subsection (a)(1)(A) of section 1741 of this title, as the Secretary may increase from time to time under subsection (c) of that section.

(iii) *During each of fiscal years 2024 through 2026, the Secretary may waive the maximum rate for per diem payments under clause (i)(II)(aa)(BB) or (ii) and, subject to the availability of appropriations, provide such payments at a rate that does not exceed 200 percent of the rate authorized for State homes for domiciliary care under subsection (a)(1)(A) of section 1741 of this title, as the Secretary may increase from time to time under subsection (c) of that section if the Secretary notifies Congress of such waiver.*

(iv) *The Secretary may not, pursuant to clause (iii), waive the maximum rate described in such clause for more than 50 percent of all grant recipients and eligible entities in a fiscal year.*

(3) In a case in which the Secretary has authorized the provision of services, per diem payments under paragraph (1) may be paid retroactively for services provided not more than three days before the authorization was provided.

(4) *The Secretary may not provide more than 12,000 per diem payments under this section in a fiscal year.*

(b) INSPECTIONS.—The Secretary may inspect any facility of a grant recipient or entity eligible for payments under subsection (a) at such times as the Secretary considers necessary. No per diem payment may be provided to a grant recipient or eligible entity under this section unless the facilities of the grant recipient or eligible entity meet such standards as the Secretary shall prescribe.

(c) LIFE SAFETY CODE.—(1) Except as provided in paragraph (2), a per diem payment may not be provided under this section to a grant recipient or eligible entity unless the facilities of the grant recipient or eligible entity, as the case may be, meet applicable fire and safety requirements under the Life Safety Code of the National Fire Protection Association or such other comparable fire and safety requirements as the Secretary may specify.

(2) During the five-year period beginning on the date of the enactment of this section, paragraph (1) shall not apply to an entity that received a grant under section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102-590; 38 U.S.C. 7721 note) before that date if the entity meets fire and safety requirements established by the Secretary.

(3) From amounts available for purposes of this section, not less than \$5,000,000 shall be used only for grants to assist entities covered by paragraph (2) in meeting the Life Safety Code of the National Fire Protection Association or such other comparable fire and safety requirements as the Secretary may specify.

(d) PER DIEM PAYMENTS TO NONCONFORMING ENTITIES.—(1) The Secretary may make funds available for per diem payments under this section to the following grant recipients or eligible entities:

(A) Grant recipients or eligible entities that—

(i) meet each of the transitional and supportive services criteria prescribed by the Secretary pursuant to subsection (a)(1); and

(ii) furnish services to homeless individuals, of which less than 75 percent are veterans.

(B) Grant recipients or eligible entities that—

(i) meet at least one, but not all, of the transitional and supportive services criteria prescribed by the Secretary pursuant to subsection (a)(1); and

(ii) furnish services to homeless individuals, of which not less than 75 percent are veterans.

(C) Grant recipients or eligible entities that—

(i) meet at least one, but not all, of the transitional and supportive services criteria prescribed by the Secretary pursuant to subsection (a)(1); and

(ii) furnish services to homeless individuals, of which less than 75 percent are veterans.

(2) Notwithstanding subsection (a)(2), in providing per diem payments under this subsection, the Secretary shall determine the rate of such per diem payments in accordance with the following order of priority:

(A) Grant recipients or eligible entities described by paragraph (1)(A).

(B) Grant recipients or eligible entities described by paragraph (1)(B).



(C) Grant recipients or eligible entities described by paragraph (1)(C).

(3) For purposes of this subsection, an eligible entity is a non-profit entity and may be an entity that is ineligible to receive a grant under section 2011 of this title, but whom the Secretary determines carries out the purposes described in that section.

(e) REIMBURSEMENT OF ENTITIES FOR CERTAIN FEES.—The Secretary may reimburse a recipient of a grant under section 2011, 2013, or 2061 of this title or a recipient of per diem payments under this section for fees charged to that grant or per diem payment recipient for the use of the homeless management information system described in section 402(f) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360a(f))—

(1) in amounts the Secretary determines to be reasonable; and

(2) if the Secretary determines that the grant or per diem payment recipient is unable to obtain information contained in such system through other means and at no cost to the grant or per diem payment recipient.

(f) *REPORTS REQUIRED.*—*Not later than 90 days after the date of the enactment of the HOME Act of 2023, and not less frequently than twice each year thereafter, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the rate for per diem payments under this section that includes, for each Veterans Integrated Service Network of the Department, the following data:*

*(1) The average rate for such a payment.*

*(2) A list of locations where the rate for such a payment is within 10 percent of the maximum rate for such a payment authorized under this section.*

*(3) The average length of stay by a veteran participating in a program described in section 2012(a) of this title.*

\* \* \* \* \*

## **PART III—READJUSTMENT AND RELATED BENEFITS**

\* \* \* \* \*

### **CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS**

\* \* \* \* \*

#### **SUBCHAPTER III—ADMINISTRATIVE PROVISIONS**

\* \* \* \* \*

#### **§ 3729. Loan fee**

(a) REQUIREMENT OF FEE.—(1) Except as provided in subsection (c), a fee shall be collected from each person obtaining a housing loan guaranteed, insured, or made under this chapter, and each person assuming a loan to which section 3714 of this title applies. No such loan may be guaranteed, insured, made, or assumed until

the fee payable under this section has been remitted to the Secretary.

(2) The loan fee table referred to in paragraph (1) is as follows:

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020).	2.15	2.40	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before April 7, 2023).	2.30	2.30	NA
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after April 7, 2023, and before <b>November 14, 2031</b> <i>May 18, 2032</i> ).	2.15	2.15	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after <b>November 14, 2031</b> <i>May 18, 2032</i> ).	1.40	1.40	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020).	3.30	3.30	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before April 7, 2023).	3.60	3.60	NA
(B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after April 7, 2023, and before <b>November 14, 2031</b> <i>May 18, 2032</i> ).	3.30	3.30	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after <b>November 14, 2031 May 18, 2032</b> ).	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020).	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before April 7, 2023).	1.65	1.65	NA
(C)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after April 7, 2023, and before <b>November 14, 2031 May 18, 2032</b> ).	1.50	1.50	NA
(C)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after <b>November 14, 2031 May 18, 2032</b> ).	0.75	0.75	NA
(D)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before January 1, 2020).	1.25	1.50	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(D)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2020, and before April 7, 2023).	1.40	1.40	NA
(D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after April 7, 2023, and before <del>November 14, 2031</del> <i>May 18, 2032</i> ).	1.25	1.25	NA
(D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after <del>November 14, 2031</del> <i>May 18, 2032</i> ).	0.50	0.50	NA
(E) Interest rate reduction refinancing loan.	0.50	0.50	NA
(F) Direct loan under section 3711.	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan).	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan).	1.25	1.25	NA
(I) Loan assumption under section 3714.	0.50	0.50	0.50
(J) Loan under section 3733(a).	2.25	2.25	2.25.

(b) DETERMINATION OF FEE.—(1) The amount of the fee shall be determined from the loan fee table in paragraph (2). The fee is expressed as a percentage of the total amount of the loan guaranteed, insured, or made, or, in the case of a loan assumption, the unpaid principal balance of the loan on the date of the transfer of the property.

(2) The loan fee table referred to in paragraph (1) is as follows:  
 (3) Any reference to a section in the “Type of loan” column in the loan fee table in paragraph (2) refers to a section of this title.

(4) For the purposes of paragraph (2):

(A) The term “active duty veteran” means any veteran eligible for the benefits of this chapter other than a Reservist.

(B) The term “Reservist” means a veteran described in section 3701(b)(5)(A) of this title who is eligible under section 3702(a)(2)(E) of this title.

(C) The term “other obligor” means a person who is not a veteran, as defined in section 101 of this title or other provision of this chapter.

(D)(i) The term “initial loan” means a loan to a veteran guaranteed under section 3710 or made under section 3711 of this title if the veteran has never obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

(ii) If a veteran has obtained a loan guaranteed under section 3710 or made under section 3711 of this title and the dwelling securing such loan was substantially damaged or destroyed by a major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), the Secretary shall treat as an initial loan, as defined in clause (i), the next loan the Secretary guarantees or makes to such veteran under section 3710 or 3711, respectively, if—

(I) such loan is guaranteed or made before the date that is three years after the date on which the dwelling was substantially damaged or destroyed; and

(II) such loan is only for repairs or construction of the dwelling, as determined by the Secretary.

(E) The term “subsequent loan” means a loan to a veteran, other than an interest rate reduction refinancing loan, guaranteed under section 3710 or made under section 3711 of this title that is not an initial loan.

(F) The term “interest rate reduction refinancing loan” means a loan described in section 3710(a)(8), 3710(a)(9)(B)(i), 3710(a)(11), 3712(a)(1)(F), or 3762(h) of this title.

(G) The term “0-down” means a downpayment, if any, of less than 5 percent of the total purchase price or construction cost of the dwelling.

(H) The term “5-down” means a downpayment of at least 5 percent or more, but less than 10 percent, of the total purchase price or construction cost of the dwelling.

(I) The term “10-down” means a downpayment of 10 percent or more of the total purchase price or construction cost of the dwelling.

(c) WAIVER OF FEE.—(1) A fee may not be collected under this section from a veteran who is receiving compensation (or who, but for the receipt of retirement pay or active service pay, would be entitled to receive compensation), from a surviving spouse of any veteran (including a person who died in the active military, naval, air, or space service) who died from a service-connected disability, or from a member of the Armed Forces who is serving on active duty and who provides, on or before the date of loan closing, evidence of having been awarded the Purple Heart.

(2)(A) A veteran described in subparagraph (B) shall be treated as receiving compensation for purposes of this subsection as of the date of the rating described in such subparagraph without regard to whether an effective date of the award of compensation is established as of that date.

(B) A veteran described in this subparagraph is a veteran who is rated eligible to receive compensation—

(i) as the result of a pre-discharge disability examination and rating; or

(ii) based on a pre-discharge review of existing medical evidence (including service medical and treatment records) that results in the issuance of a memorandum rating.

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